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SPEAKER KRISTENSEN: Are you finished with your opening, Senator Hartnett? Thank you. There are committee amendments. Senator Hartnett, you're recognized to open on the committee amendments.

SENATOR HARTNETT: What the committee amendment does is strikes the new subsection (3) dealing with the authority of MUD directors to participate in the medical and the dental program offered to regular employees. The committee was concerned about the possible constitutional problem with this section. This section provides that the board may use district funds to finance the cost of insurance. It also states the dollar amount of an insurance premium paid for the benefit of the board members may be in addition the amount of compensation authorized under the salary cap (sic--cap). Currently, the MUD allows the directors to pay the full cost of participating in their health insurance program, and the cost of that insurance is subtracted from the compensation paid for the director. An example would be if one member took the insurance and the policy was \$200, they would get the salary...annual salary...monthly salary is \$800, they would get a salary of \$600, and another member did not participate, they would get the full \$800. The committee believed that the proposed new subsection and application could result in a different level of compensation between those board members who did not...who did and did not take advantage of the insurance option. More importantly, annual adjustment in insurance premium costs might result in an increase or decrease in compensation during the term of office of a sitting board member. This might be considered a violation of Article III, Section 19 of the state Constitution. The constitution provisions state that compensations of any public official shall not be exercised...increased or lowered during the term of office. Because health insurance generally involves annual adjustment in premium costs as well for benefit changes, there is the potential for constitutional problems when the cost of insurance is taken outside the general compensation cap. Be glad to answer any questions.

SPEAKER KRISTENSEN: You've heard the opening on the committee amendments. Now debate on the committee amendments. Senator Connealy.